

# TD AMERITRADE

## Self-Directed Brokerage Account

S A V E M O N E Y A N D R E T I R E T O M O R R O W

### What is the TD AMERITRADE Self-Directed Brokerage Account?

The TD AMERITRADE Self-Directed Brokerage Account (SDBA) is an option available to you in addition to the investment options available to you through the Massachusetts Deferred Compensation SMART Plan (herein referred to as the “core account”). This option gives you the freedom to invest a portion of your assets in an SDBA that provides access to a wide array of open-end mutual funds.

### For whom is this investment option appropriate?

The SDBA is for knowledgeable investors who acknowledge and understand the risks associated with many of the investments contained in the SDBA. By utilizing the SDBA, you acknowledge that none of the available options in the SDBA have been reviewed for suitability by your employer, the Office of the State Treasurer, TD AMERITRADE or Great-West Retirement Services® (Great-West). You are solely responsible for determining the suitability of the investments that are available in the SDBA. You agree to fully indemnify and hold harmless your employer, the Office of the State Treasurer, TD AMERITRADE, Great-West, and any and all service providers against any claims, damages or other causes of actions that may arise as a result of any negative consequences resulting from using the SDBA.

*Before investing in any investment company, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information, and may be obtained by calling TD AMERITRADE at (866) 766-4015. Investors should read prospectuses carefully before investing.*

### How do I open an SDBA?

Log in to your core account at [www.mass-smart.com](http://www.mass-smart.com). Click Manage Investments, then Manage Your Self-Directed Brokerage Account.<sup>1</sup> From there, click on the Enroll icon to complete the online enrollment process.

During the enrollment process, you will receive your account number. For security purposes, you will be asked to create your own Personal Identification Number (PIN). You will need both your account number and PIN to access your SDBA. Once your account is opened, you will receive a Welcome Kit from TD AMERITRADE that explains services and procedures.

Please note, your account will be opened within three business days of receipt of your completed enrollment application. Once your account has been opened, you may transfer money from your core account to your SDBA.

Your SDBA can only be funded through transfers from your core account.

### How do I transfer money from my core account in to my SDBA?

Log in to your core account at [www.mass-smart.com](http://www.mass-smart.com). Click Manage Investments, then Manage Your Self-Directed Brokerage Account. From there, click on Transfer Into SDBA. You may also initiate a transfer from your core account to your SDBA via the SMART Plan Service Center. Call (877) 457-1900 and press 1 for the automated voice response system. Select English or Spanish, then enter your Social Security number (SSN) and PIN.<sup>2</sup> From there, press 3 for Change Account and then 5 to transfer to your SDBA.

### Are there any restrictions on transferring my money from my core account in to my SDBA?

To fund your SDBA, you must first transfer assets from your core account to the SDBA money market fund at TD AMERITRADE. Then, through TD AMERITRADE you can purchase other investments.

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.*

There is a minimum transfer requirement of \$500 from your core account to your SDBA. If your transfer request does not meet the minimum amount,



your transfer will not be completed. You may not transfer money from the Income Fund in your core account to your SDBA. You are required to maintain a minimum balance of \$1,000 in your core account.

### How do I transfer money from my SDBA in to my core account?

Call TD AMERITRADE at (866) 766-4015 to liquidate securities. Once the liquidation is complete and funds are swept to the SDBA money market fund at TD AMERITRADE, you may transfer the assets back to your core account. Log in to your core account at [www.mass-smart.com](http://www.mass-smart.com). Click Manage Investments, then Manage Your Self-Directed Brokerage Account. From there, click on Transfer From SDBA. You may also initiate a transfer from your SDBA to your core account via the SMART Plan Service Center. Call (877) 457-1900 and press 1 for the automated voice response system. Select English or Spanish, then enter your SSN and PIN. From there, press 3 for Change Account and then 5 to transfer from your SDBA.

Once the money is received in your core account, it will be invested in the investment option(s) that you indicated when you initiated the transfer. However, you may not transfer money from the SDBA money market fund to the Income Fund.

### Are distributions available from my SDBA?

Distributions can only be made from your core account. Your

SDBA cannot be directly accessed for any type of distribution.

If you are requesting a distribution from your core account, please ensure that you have an adequate balance in your core account to cover the amount of your distribution request, as well as the minimum balance requirement of \$1,000. If you do not have sufficient funds in your core account, your distribution request will be processed to the fullest extent possible; however, this may result in a smaller payout than requested.

### What if I have required distributions for my core account?

If you do not have sufficient funds in your core account to generate the funds needed for your required distributions, you are required to liquidate the funds in your SDBA.

Your SDBA can be liquidated in order to make required payments for the following circumstances:

- 1) To fund a required minimum distribution
- 2) To comply with the requirements of a Domestic Relations Order
- 3) To fund a processing error, corrective distribution or for collection of fees
- 4) Upon notification of the death of a participant
- 5) When the participant account is to be 100% liquidated due to the de minimus payout requirements

It is your responsibility to ensure that you have an adequate account balance in your core account to cover your required distributions, as well as maintain the minimum balance requirement of \$1,000.

If you do not initiate trading instructions and transfers in time to make these payments, all securities in your SDBA may be liquidated and your account closed. You will be responsible for any losses or expenses associated with the liquidation.

### How do I manage and/or make changes to my SDBA?

To make changes, visit TD AMERITRADE via the Web at [www.tdameritraderetirement.com](http://www.tdameritraderetirement.com) or call TD AMERITRADE at (866) 766-4015 to inquire about your daily account balance or change your investments in your SDBA.

### Who sends me statements?

The Massachusetts Deferred Compensation SMART Plan will issue you a quarterly statement that includes details of your core account, as well as the gross balance of your SDBA. TD AMERITRADE will send you a monthly statement detailing all activity and positions in your SDBA.

**Note:** The account balance on both your core account and SDBA statements may vary slightly due to different period-ending dates (for example, one may be as of the last day of the quarter, while the other may be as of the last business day).

1 Access to the SMART Plan Service Center and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or SMART Plan Service Center received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

2 The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

**Core securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.**

Investment options offered through a combination of mutual funds, collective trust funds and separately managed institutional accounts. Securities available through the self-directed brokerage account are offered through TD AMERITRADE, Inc. TD AMERITRADE and Great-West Retirement Services® are separate and unaffiliated companies. TD AMERITRADE is not responsible for third-party financial or investment information or services, including market data provided by the exchanges. Brokerage services provided by TD AMERITRADE, Division of TD AMERITRADE, Inc., member FINRA/SIPC. TD AMERITRADE is a trademark jointly owned by TD AMERITRADE IP Company, Inc. and The Toronto-Dominion Bank. Used with permission. Self-directed brokerage accounts are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested. Great-West Retirement Services® refers to products and services offered through Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Not intended for use in New York. Great-West Retirement Services® is a registered service mark of Great-West Life & Annuity Insurance Company. All rights reserved. ©2008 Great-West Life & Annuity Insurance Company. Form# CB1096SDB (12/08) PT74286

